

EXHIBIT Q

1 MORGAN, LEWIS & BOCKIUS LLP
2 JOSEPH E. FLOREN, State Bar No. 168292
3 JAMI WINTZ MCKEON, State Bar No. 237923
4 CHRISTOPHER J. BANKS, State Bar No. 218779
5 MATTHEW S. WEILER, State Bar No. 236052
One Market, Spear Street Tower
San Francisco, CA 94105-1126
Tel: 415.442.1000
Fax: 415.442.1001

6 Attorneys for Defendant
7 THE GOLDMAN SACHS GROUP, INC.

FILED
Superior Court of California
County of Los Angeles

4 MAY 28 2010

John A. Clarke, Executive Officer/Clerk
By M. Rodriguez, Deputy
M. RODRIGUEZ

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10 SIGNALIFE, INC., A Delaware
11 Corporation, dba HEARTTRONICS

12 Plaintiff,

13 vs.

14 WILLIAM McMAHAN, an individual, et
15 al.,

16 Defendants.

Case No. BC 397448

NOTICE OF RULING ON DEMURRER TO
PLAINTIFF'S THIRD AMENDED
COMPLAINT BY DEFENDANTS BANC OF
AMERICA SECURITIES LLC; THE BANK
OF NEW YORK MELLON; CITIGROUP,
INC.; CHARLES SCHWAB & CO., INC.;
DEUTSCHE BANK SECURITIES INC.;
E*TRADE SECURITIES, LLC; THE
GOLDMAN SACHS GROUP, INC.; JP
MORGAN CLEARING CORP.; MORGAN
STANLEY & CO. INCORPORATED;
MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED; SCOTTRADE,
INC.; AND UBS SECURITIES LLC

ASSIGNED FOR ALL PURPOSES TO
DEPARTMENT 309, CENTRAL CIVIL WEST
COURTHOUSE

Date: May 27, 2010
Time: 10:00 a.m.
Dep't: 309
Judge: Hon. Anthony J. Mohr

25 TO ALL PARTIES AND COUNSEL OF RECORD:

BY FAX

26 PLEASE TAKE NOTICE that on May 27, 2010 the Court heard argument on the
27 Demurrer to Plaintiff's Third Amended Complaint of Defendants Banc of America Securities

28

MORGAN, LEWIS &
BOCKIUS LLP
ATTORNEYS AT LAW
SAN FRANCISCO

DB2/21721301.1

1 LLC, The Bank of New York Mellon, Citigroup, Inc., Charles Schwab & Co., Inc., Deutsche
2 Bank Securities Inc., E*TRADE Securities, LLC, The Goldman Sachs Group, Inc., JP Morgan
3 Clearing Corp., Morgan Stanley & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith
4 Incorporated, Scottrade, Inc., and UBS Securities LLC ("Financial Defendants"), and ruled as
5 follows:

6 1. The Financial Defendants' Demurrer to the Third Amended Complaint is
7 SUSTAINED.

8 2. Plaintiff's request for leave to amend is GRANTED. Plaintiff shall file a Fourth
9 Amended Complaint within 30 days.

10 3. The Financial Defendants shall file their answers, demurrers, motions, or other
11 responses to Plaintiff's Fourth Amended Complaint within 30 days after service thereof.

12
13 Dated: May 28, 2010

MORGAN, LEWIS & BOCKIUS LLP

14

15

By JOSÉPH E. FLOREN /DMM
Joseph E. Floren
Attorneys for Defendant
THE GOLDMAN SACHS GROUP, INC.

16

17

18

19

20

21

22

23

24

25

26

27

28

1 CASE NUMBER: BC397448
2 CASE NAME: SIGNALIFE INC. VS.
3 KENNETH VIANALE, ET AL.
4 LOS ANGELES, CALIFORNIA THURSDAY, MAY 27 2010
5 DEPARTMENT 309 HON. ANTHONY J. MOHR, JUDGE
6 APPEARANCES: (AS HERETOFORE NOTED.)
7 REPORTER: CLAUDIA VECCHI -CORTEZ,
8 CSR NO. 11630
9 TIME: A. M. SESSION

10

11

12 (THE FOLLOWING PROCEEDINGS
13 WERE HELD IN OPEN COURT.)

14

15

16 THE COURT: OKAY. SIGNALIFE, COME ON FORWARD.

17 MR. FIRESTEIN: GOOD MORNING, YOUR HONOR.

18 MICHAEL FIRESTEIN OF PROSKAUER ON BEHALF OF JP MORGAN
19 CLEARING.

20 MR. FLOREN: GOOD MORNING, YOUR HONOR.

21 JOSEPH FLOREN WITH MORGAN LEWIS ON BEHALF OF GOLDMAN
22 SACHS GROUP INC.

23 MR. MARCUS: GOOD MORNING, YOUR HONOR.

24 DAVID MARCUS FROM WILMER HALE ON BEHALF OF THE CITI GROUP
25 INC.

26 MS. BRETN: JENNIFER BRETN OF FENWICK & WEST ON
27 BEHALF OF DEUTSCHE BANK SECURITIES, INC.

28 MR. HOROWITZ: DAVID HOROWITZ OF KIRKLAND ELLIS ON

♀

30

1 SEVERAL EXAMPLES WHERE THIS IS NOT ONLY PERMITTED, BUT
2 GOOD. AND WE JUST DON'T SEE ANYTHING IN THE COMPLAINT
3 TO SAY -- TO ADD. WE SEE AN ARGUMENT BY PLAINTIFF THAT
4 NAKED SHORT SELLING IS, PER SE, MANIPULATIVE. THAT'S
5 WHAT THEIR PAPERS SAY. I THINK COUNSEL HAS CHANGED HIS
6 TUNE HERE TODAY. BUT THAT'S WHAT HIS POSITION SAID.
7 AND THAT'S NOT THE CASE ON --

8 THE COURT: WELL, LET ME STOP YOU. I TEND TO
9 THINK YOU ARE RIGHT AND I TEND TO THINK YOU ARE GOING TO
10 WIN THIS CASE. BUT I THINK YOU ARE GOING TO WIN THIS
11 CASE THE NEXT TIME. I AM GOING TO LET HIM AMEND. AND
12 THIS IS REALLY IT. OKAY? SO DO YOUR VERY, VERY BEST
13 BECAUSE IF THERE ARE PROBLEMS THE NEXT TIME WITH THIS
14 CAUSE OF ACTION, THEN I WILL SUSTAIN WITHOUT LEAVE TO
15 AMEND. BUT I REALLY WANT TO INDULGE YOU AS MUCH AS I
16 CAN. I KNOW THERE ARE CASES OUT THERE, IN FACT, WHERE
17 LITERALLY AT ORAL ARGUMENT AT THE COURT OF APPEAL THERE
18 HAVE BEEN SITUATIONS WHERE COUNSEL SAYS "AND BY THE WAY,
19 IF YOU LET ME AMEND, HERE IS ANOTHER IDEA THAT I JUST
20 CAME UP WITH; ANOTHER CLAIM," AND THE COURT HAS REVERSED
21 BASED ON THAT. SO I THINK WE'LL LET YOU GO ONE MORE
22 ROUND. BUT REALLY MAKE THIS YOUR VERY BEST.

23 MR. SPIVAK: YOUR HONOR, I'VE HEARD EVERYTHING
24 YOU'VE SAID. THANK YOU FOR ALLOWING ME TO AMEND, BUT
25 I'VE HEARD THE REST OF WHAT YOU SAID AS WELL.

26 THE COURT: OKAY. HOW MUCH TIME DO YOU NEED TO
27 AMEND? 30 DAYS?

28 MR. SPIVAK: 30 DAYS WOULD BE SUFFICIENT.

♀

31

1 THE COURT: 30 DAYS. THEREAFTER 30 DAYS TO
2 ANSWER, MOVE, OR OTHERWISE PLEAD. AND YOU ARE GOING TO
3 HAVE TO DO IT WITH WHAT YOU KNOW. I'M JUST NOT GOING TO
4 START OPENING THE FLOODGATES OF DISCOVERY. YOUR
5 PREDECESSORS DID SAY THEY COULD GO TO TRIAL WITH WHAT
6 THEY'VE GOT. SO WE'LL SEE WHERE WE GO.

7 MR. SPIVAK: ALL RIGHT. I'LL CONTINUE NOT TO
8 COMMENT ON MY PREDECESSORS.

9 THE COURT: OKAY. WILL YOU GIVE NOTICE, PLEASE.

10 MR. FLOREN: WE SHALL, YOUR HONOR.

11 THE COURT: ALL RIGHT.

12 IN UNISON: THANK YOU VERY MUCH.

13 THE COURT: ALL RIGHT.

14

15 (THE PROCEEDINGS WERE CONCLUDED.)

16 -000-

17

18

19

20

21

22

23

24

25

26

27

28